

# SECTION 305 FINANCE SUB COMM

MINUTES

JULY 27, 2011

3:00 PM EST

CONFERENCE CALL

<b>FACILITATOR</b>	<i>DJ Stadler, Treasurer S305 NGENC Committee Executive Board, and Chair of the S305 Finance Subcommittee</i>
<b>ATTENDEES</b>	<i>DJ Stadler, Brent Thompson, Ken Uznanski, Rob Edgcumbe, Steve Hewitt, Leo Penne, David Ewing, Bill Bronte</i>
<b>ABSENTEES</b>	<i>Paul Nissenbaum, Whitney Phend, Juli Salvi, Scott Witt, Jim Donlin, Amy Arnis, Chad Edison, Shayne Gill</i>

## DECISIONS MADE

DJ Stadler called the meeting of the Finance subcommittee to order and the roll call was taken.

On a motion by Brent Thompson, and a second by Rob Edgcumbe, the minutes of the July 13, 2011 conference call were approved without objection.

Agenda items:

1. Status of Letter to Appropriators re: NGENC funding FY2012 – DJ Stadler
2. Update on the Joint Procurement Task Force – Bill Bronte
3. Update: Structure and Finance Working Group Report– Rob Edgcumbe
4. Update/Status: Current Grant Agreement modification – Ken Uznanski
5. Other

### **Item 1 - Status of Letter to Appropriators re: NGENC funding FY2012 – DJ Stadler:**

DJ reported that he has not yet completed the draft memo to go to appropriations staff. He will have a draft circulated in advance of the August 2<sup>nd</sup> Executive Board webinar/conference call.

### **Item 2 – Update on the activities of the Joint Procurement Task Force (JTPF) – Bill Bronte:**

Bill Bronte reported on the activities of the JTPF, in general, and specifically summarized the “kick off” meeting that took place in Chicago on July 19-20, 2011. Bill stated that the meeting went very well and was most productive. California and Illinois DOT (and the other states involved) agreed that a cooperative procurement agreement is the appropriate document to proceed with. California will be the lead for the procurement. There will be a draft cooperative agreement available to those parties involved by September 1, 2011.

It was also agreed that IDOT will do an MOU with the Mid-west states to define the role of each state. This will be a post obligation deliverable.

They agreed that there will be an RFI – and it will be out by late August – early September, 2011. This should give the industry a chance to have input in a variety of areas such as; Buy America; bonding; warranty; standardization; and intellectual property.

There will be an RFP process which will focus on qualifications – with an extensive series of items requiring a bidder to demonstrate the ability to deliver on time and on budget.

Mr. Bronte also informed the subcommittee members that the second round of funding for California was obligated the day before yesterday (\$68 million). The FRA anticipates a press release will be forthcoming soon and it is likely it will mention the mid-west states as well and the fact that a joint procurement will result in approximately 150 bi-level cars of different types being ordered.

Bill complimented all who were present at the “kick off” meeting. He was particularly pleased with FRA’s presence at the meeting and felt staff was very forthcoming, engaged and cooperative.

Because most of (about 80%) the funding is from ARRA, Bill raised a concern in regards to their ability to meet the delivery and expenditure requirements by the September 30, 2017 deadline.

Rob Edgcumbe agreed that obligating and spending the money in accordance with the deadline was a concern, but emphasized that the “locomotive acquisition will be problematic”.

Bill Bronte agreed, and said that IDOT has been in touch with California on this issue. Staffing is a problem.

DJ Stadtler noted that Amtrak would try to assist where they can, but they are not likely to be a part of the procurement as funding is an issue. He will have a discussion with Mario Bergeron in regards to offering Amtrak staffing assistance, but noted that Amtrak also has resource issues.

**Item 3 – Report from the Structure and Finance Working Group – Rob Edgcumbe:**

Rob Edgcumbe reported that he had received one additional set of comments since the last call. (From David Ewing). He also reported that Larry Salci is looking at his section of the report, and will have some additions to it, but has been tied up recently with the work of the Trainset Review Panel. Nancy Greene has some work to complete on her section, but has been on vacation.

Rob asked if there were no other comments forthcoming – was it time to move ahead to bring it to the Executive Board for input. Rob's concern is that the report does not necessarily reflect what appeared to be the direction FRA was expectin. At least – as of the June 23<sup>rd</sup> Board meeting – the comments FRA expressed indicated they may have a different point of view and/or direction.

David Ewing recommended that the report be moved forward to the "larger audience and get FRA to expand on its comments." David feels that the report is well done and can be helpful to the procurement as well as other activities.

DJ Stadtler suggested that Rob take the comments he's received to date, incorporate them into the report, and send it out one more time to the Finance subcommittee before sending it to the Board. There are members of the FRA on the Finance subcommittee, so this will give them an additional opportunity to provide their input.

It was agreed that Rob would make the changes and send the report to Steve Hewitt for distribution to the Finance subcommittee members with a notation that the intent will be to bring it to the Executive Board on its August 16, 2011 conference call.

**Item 4 – Status of the Current Grant Agreement Modification – Ken Uznanski:**

Ken Uznanski reported that, as of yesterday, the Amtrak grants people had not received the updated language from the FRA. His understanding is that it "is in the approval chain." DJ stated that he had not received anything yet either. He said he will send a note to FRA in regards to the Grant agreement and remind them that the status will be an agenda item on the August 2, 2011 Executive Board webinar/conference call.


**Action Items Update (New and Current)**

**Carryover Action Item:** Leo Penne, AASHTO, has sent out a request for states to provide contact information of state attorneys who work with their state’s rail program. Purpose is to establish a states legal pool as a resource to the Committee. Leo will provide a list of the 20 states that have responded and send it to Steve Hewitt for distribution.

**Carryover Action Item:** Nancy Greene to provide DJ Stadtler with proposed voting procedures for the Finance subcommittee to consider. (It will be based on the procedures adopted by the Technical subcommittee)

**Action Item:** DJ Stadtler to provide subcommittee members and Board members with the draft Appropriations request letter prior to the August 2, 2011 webinar/conference call meeting of the Board.

**Action Item:** Rob Edgcumbe will revise the SFWG report and provide it to Steve Hewitt for distribution to the Finance subcommittee members by the end of the week. The intent is to take it to the Board by August 16, 2011.

**Action Item:** DJ Stadtler to check with FRA on the status of the current grant agreement modification in advance of the August 2, 2011 Board call.


**Agenda**

July 27, 2011

1. Status of Letter to Appropriators re: NGEC funding FY2012 – DJ Stadtler
2. Update: Joint Procurement Task Force – Bill Bronte
3. Update: Structure and Finance Working Group Report– Rob Edgcumbe
4. Update/Status Current Grant Agreement Modification – Ken Uznanski
5. Other discussions - All

**Next Finance subcommittee conference call: August, 10 2011 at 3:00pm Eastern  
866 209 1307 access code: 8597804#**